STANDARD

September 11, 2026

Company Name:	Universal Entertainment Corporation
Representative:	Tomohiro Okada
	Representative Director & President
	(TSE STANDARD Code: 6425)
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Notice Regarding Use of New Company for Overseas Gaming Equipment Business and Related-Party Transactions

Universal Entertainment Corporation (hereinafter referred to as "UEC") hereby announces that, at the meeting of the Board of Directors held today, it resolved to enter into agreements with UDN Gaming, Inc. (hereinafter referred to as "UDN"), a newly established company formed for the purpose of promoting the business of development, manufacture, and sale of gaming equipment including slot machines overseas (hereinafter referred to as the "Business"). These agreements include an agreement relating to loans through the establishment of a credit facility, an agreement to license UDN to use intellectual property rights related to gaming equipment held by UEC in order to facilitate the overseas gaming equipment business, and an agreement whose principal terms are the provision of support services related to engineering, accounting, and administration to UDN. At the same Board meeting, UEC also resolved the policy to include UDN in the scope of consolidation as a consolidated subsidiary as required by applicable accounting standards and regulations. However, the timing has not yet been determined, and we will provide additional disclosure as soon as it is decided.

As this matter also constitutes a related-party transaction and involves making UDN, a company wholly owned by UEC's Representative Director and President, a consolidated subsidiary of UEC, UEC hereby announces the details as follows. While this matter constitutes a voluntary disclosure and does not qualify as a "transaction with controlling shareholder" under the Timely Disclosure Rules, since it involves a transaction with a company controlled by Mr. Tomohiro Okada—who serves as the Representative Director and President of UEC, and is also the controlling shareholder of our parent company, Okada Holdings Limited (hereinafter "OHL")—we hereby announce that we are implementing measures to ensure fairness and to avoid conflicts of interest, as this transaction is treated as equivalent to a transaction with controlling shareholder.

1. Background and Purpose of the Transaction (Use of the New Company and Related-Party Transactions)

The UEC Group conducts its business primarily through the Amusement Equipments Business and the Integrated Resort (IR) Business. However, amid changes in the business environment surrounding its existing businesses, including the downward trend in the domestic amusement equipment market and intensifying competition in the Integrated Resort (IR) Business in the Philippines, UEC recognizes that it is important to promptly establish a new revenue base in order to achieve sustainable growth.

Based on this recognition, as part of its medium- to long-term growth strategy, the UEC Group has decided to develop new businesses that will serve as a "third pillar" in addition to its existing businesses. As one such initiative, the UEC Group has decided to pursue re-entry into the Business, where it can utilize the technologies, intellectual property, business know-how, and other resources related to the development, manufacture, and sale of gaming equipment that it has cultivated to date. In the United States, which has a large market scale, and particularly in the State of Nevada, gaming license reviews are among the most stringent in the world. If UEC applies directly, suitability reviews of major shareholders, directors, key employees, and other relevant persons are expected to require a considerable amount of time.

In light of this regulatory environment, during the business launch phase, UEC has decided to first use UDN, a corporation newly established in the State of Nevada, U.S.A. by UEC's Representative Director and President, to apply for gaming licenses and to advance the business in stages, while UEC also intends to apply for licenses in due course.

During UDN's business launch phase, the UEC Group will provide UDN with necessary loans through the establishment of a credit facility, grant licenses for the use of intellectual property rights related to the development, manufacture, and sale of gaming equipment, and provide various forms of support, including development support. These transactions, together with the transactions described below regarding the future transfer of UDN shares, are collectively referred to as the "Transaction." Through management based on various measures, including the terms of the loan agreement, the UEC Group will eliminate adverse effects arising from the conflict-of-interest relationship with UDN. Furthermore, with the expectation that UDN will become a consolidated subsidiary, we will place it under the Group's strict governance framework and swiftly launch the Business

As of today, the UEC group does not hold any voting rights of UDN for its own account. However, Tomohiro Okada, who qualifies as a person closely related to UEC in his capacity as UEC's Representative Director and President, holds all voting rights of UDN. In addition, the UEC Group will provide loans for the entire amount of UDN's financing and will grant licenses for the use of intellectual property rights related to the development, manufacture, and sale of gaming equipment. Accordingly, UDN will become a consolidated subsidiary of UEC based on the applicable standard.

This business scheme is premised on a future review of capital relationships, including making UDN a wholly owned subsidiary through the acquisition of voting rights in UDN by the UEC Group, after assessing the progress and outcome of UEC's acquisition of gaming licenses in the United States.

2. Overview of UDN

Name	UDN Gaming, Inc.	
Location	State of Nevada, U.S.A.	
Name and Title of Representative	Tomohiro Okada, Director	
Business Description	Development, manufacture, sale, and related businesses for gaming equipment including slot machines	
Capital	1 USD (1 USD = 160.03 JPY as of August 31, 2026)	
Date of Establishment	March 13, 2026	
Major Shareholder and Shareholding Ratio	Tomohiro Okada (Representative Director and President of UEC): 100%	
Relationship with the UEC Group	Capital Relationship	UEC's Representative Director and President owns 100% of UDN.
	Personnel Relationship	UEC's Representative Director and President serves concurrently as Director of UDN.
	Business Relationship	Under the Agreement for Line of Credit and Share Transfer with Aruze USA, Inc., a wholly owned subsidiary of UEC, UDN will be provided with a credit facility. In addition, under the Master License Agreement, UDN is scheduled to receive from UEC a license covering intellectual property rights related to the development, manufacture, and sale of gaming equipment. Furthermore, under the Affiliated General Services Agreement, UDN is expected to consult with UEC regarding research and development, accounting and finance services, and support and advice for parts procurement and manufacturing processes.
	Applicability of Related Parties	UDN falls under the category of a related party of UEC because UEC's Representative Director and President directly holds 100% of the voting rights of UDN.

* As UDN is a newly established company, information on its operating results and financial position for the most recent three fiscal years has been omitted.

3. Overview of Related-Party Transactions

(1) Agreement for Line of Credit and Share Transfer

Lender	Aruze USA, Inc. (a wholly owned subsidiary of UEC)
Borrower (Counterparty to the Transaction)	UDN Gaming, Inc.
Description of Transaction	Agreement on the provision of loans through the establishment of a credit line and future transfer of all outstanding shares of UDN (*1)
Credit Facility Limit	25 million USD (1 USD = 160.03 JPY as of August 31, 2026)
Lending Interest Rate	5.12% per annum (*2)
Scheduled Agreement Execution Date	September 30, 2026
Scheduled Loan Drawdown Date	Scheduled to be drawn down in stages on or after the agreement execution date, according to the borrower's funding needs
Credit Facility Period	December 31, 2035
Repayment Method	The outstanding principal balance and accrued but unpaid interest shall be repaid in a lump sum on the final day of the credit facility period; provided, however, that all or part of the outstanding balance may be repaid at any time before the expiration of the credit facility period.
Collateral and Guarantees	Yes (all issued shares of UDN held by Tomohiro Okada, the sole shareholder)

(*1) Under the Agreement for Line of Credit and Share Transfer, it has been agreed that, on a date designated at the sole discretion of the lender, Mr. Tomohiro Okada will transfer all shares of UDN to UEC or a third party designated by UEC at the same price as the price at which he subscribed for the issuance of shares of UDN.

(*2) The lending interest rate for the loans was determined with reference to market interest rates in the United States.

(2) Master License Agreement

Licensor	Universal Entertainment Corporation
Licensee	UDN Gaming, Inc.
Description of Transaction	License for the use of intellectual property rights related to the development, manufacture, and sale of gaming equipment
License Fee	License fee of USD 100 per unit of gaming equipment shipped, determined by taking general market transaction prices into consideration
Scheduled Agreement Execution Date	Scheduled for September 30, 2026
License Period	Valid for one year, and automatically renewed for successive one-year periods unless either party gives written notice of termination at least one month prior to the expiration of the initial term or any renewal term.

(3) Affiliated General Services Agreement

Service Provider	Universal Entertainment Corporation
Service Recipient	UDN Gaming, Inc.
Description of Transaction	Support services related to engineering, accounting, and administration
Service Fee	Amount equal to the total direct expenses of UEC plus a 6% profit mark-up, determined by taking general market transaction prices into consideration
Scheduled Agreement Execution Date	September 30, 2026
Service Period	Until the date on which the master license agreement terminates

4. Matters Concerning Transactions with Controlling Shareholder, etc.

This transaction constitutes voluntary disclosure and does not qualify as a transaction with controlling shareholder under the Timely Disclosure Rules; however, since it involves a company controlled by Mr. Tomohiro Okada—who serves as Representative Director and President of UEC, and is also the controlling shareholder of OHL—we have determined that it constitutes an action equivalent to a transaction with controlling shareholder.

(1) Status of Conformity with the Guidelines on Measures to Protect Minority Shareholders When Conducting Transactions with Controlling Shareholders, etc.

As stated in UEC's Corporate Governance Report disclosed on April 1, 2026, UEC's guidelines on measures to protect minority shareholders when conducting transactions with controlling shareholders, etc. provide that, when UEC conducts transactions with controlling shareholders, etc., it will carefully examine and address such transactions by taking market prices and other relevant factors into consideration so that the interests of minority shareholders are not impaired. As necessary, UEC will obtain opinions from persons who have no interest in the controlling shareholder, etc., consult with attorneys, or request advice from third-party organizations, thereby ensuring that such transactions are conducted under proper and fair terms equivalent to ordinary transactions.

In connection with this transaction, UEC has taken the measures described below and considers the transaction to be in conformity with its guidelines on measures to protect minority shareholders.

(2) Matters Concerning Measures to Ensure Fairness and Measures to Avoid Conflicts of Interest

Although this transaction does not constitute a transaction with controlling shareholder under the Timely Disclosure Rules, because it involves Mr. Tomohiro Okada—who serves as the Representative Director and President, and is also the controlling shareholder of our parent company—and a company in which he holds a controlling interest, UEC have treated it as a transaction equivalent to one with a controlling shareholder. UEC has taken the following measures to ensure fairness and avoid conflicts of interest.

First, as described below, UEC has obtained opinions from all five independent non-executive directors, including Audit and Supervisory Committee members of UEC, who are independent from UEC, OHL and UDN.

In addition, Tomohiro Okada, the Representative Director and President of UEC, who is also the controlling shareholder of UEC's parent company OHL, did not participate in the Board of Directors' deliberation or resolution concerning this transaction. The remaining eight directors, including five non-executive directors, carefully deliberated on the purpose and terms of this transaction and unanimously approved it after reasonably determining that this transaction would not provide an improper benefit to any particular individual and would contribute to the business development objectives of the UEC Group.

(3) Summary of Opinions Obtained from Persons Having No Interest in the Controlling Shareholder Stating that the Transaction Is Not Disadvantageous to Minority Shareholders

The summary of the opinions obtained from all five independent non-executive directors, including Audit and Supervisory Committee members of UEC, who are independent from UEC, OHL and UDN, is as follows.

① Legitimacy and Reasonableness of the Purpose

As the domestic amusement equipment market has been trending downward, there is a need to promptly secure a new revenue base in the form of a new business. Re-entry into the Business is considered reasonable from the standpoint of purpose and necessity, as it would enable the UEC Group to leverage the tangible and intangible resources it has cultivated over the years.

In addition, if UEC were to apply directly for gaming licenses in the United States, suitability reviews of major shareholders, directors, key employees, and other relevant persons are expected to require a significant amount of time. Given the urgent need to launch the new business and establish its business foundation, it is considered reasonable, during the business launch phase, to utilize a scheme that is expected to enable earlier acquisition of gaming licenses and to proceed with the gaming license application process under such scheme, as this would enable agile business development within a relatively short period of time.

② Reasonableness of Transaction Terms

When conducting transactions with controlling shareholders, etc., UEC carefully examines and addresses such transactions by taking market prices and other relevant factors into consideration so that the interests of minority shareholders are not impaired, and conducts such transactions under proper and fair terms equivalent to ordinary transactions.

The consideration received by UEC in connection with this transaction—including interest, license fees, and service fees—is determined based on local market interest rates and general market transaction prices. In addition, by establishing various Transaction terms, including share collateral and share transfer arrangements, and by placing UDN under a strict governance structure as a consolidated subsidiary after the transaction, pursuant to applicable accounting standards and regulations, UEC has taken various measures to prevent controlling shareholders and other related parties from receiving undue benefits. Accordingly, the transaction terms are considered to be designed for the benefit of the UEC Group's new business development. In light of the foregoing, the Transaction terms are considered reasonable because this Transaction involves fair terms and consideration and is expected to contribute to the enhancement of UEC's corporate value.

③ Advice from External Experts

UEC has proceeded while receiving legal advice from multiple law firms, including attorneys selected by the Audit and Supervisory Committee, on various aspects, including the structuring of the business scheme, handling of conflicts of interest, and the terms and conditions of the transactions, and has received advice that the agreements do not contain unreasonable terms. Furthermore, none of the law firms has a material interest in this transaction or this agreement.

④ Measures to Avoid Conflicts of Interest and Measures to Ensure the Fairness and Reasonableness of Procedures

In connection with the execution of the agreements related to this transaction, Mr. Tomohiro Okada, the controlling shareholder of UDN, has a special interest and therefore did not participate in the Board of Directors' deliberation or resolution concerning this transaction.

In the deliberations concerning this transaction, including those by the Board of Directors, the remaining eight directors, including five non-executive directors, carefully deliberated on the reasonableness of the transaction purpose, the appropriateness of the transaction terms, and the fairness of the procedures after receiving advice from external experts. As a result, they determined that the purpose of this transaction is not to provide an improper benefit to controlling shareholders or any other particular individual, but rather to contribute to the business development objectives of the UEC Group, and concluded that the transaction is not disadvantageous to minority shareholders.

Furthermore, this transaction has been approved by the Audit and Supervisory Committee pursuant to Article 423, Paragraph 4 of the Companies Act.

5. Future Outlook

UEC expects the impact of this matter on its consolidated financial results for the fiscal year ending December 31, 2026 to be immaterial. However, if any matter requiring disclosure arises in the future, UEC will promptly disclose such matter.